

MINUTES

MONTANA SENATE 57th LEGISLATURE - REGULAR SESSION COMMITTEE ON STATE ADMINISTRATION

Call to Order: By **CHAIRMAN DON HARGROVE**, on March 12, 2001 at 10:00 A.M., in Room 335 Capitol.

ROLL CALL

Members Present:

Sen. Don Hargrove, Chairman (R)
Sen. John C. Bohlinger, Vice Chairman (R)
Sen. Edward Butcher (R)
Sen. Jim Elliott (D)
Sen. Eve Franklin (D)
Sen. Ken Toole (D)

Members Excused: Sen. Pete Ekegren (R)
Sen. Fred Thomas (R)

Members Absent: None.

Staff Present: Lynette Brown, Committee Secretary
David Niss, Legislative Branch

Please Note: These are summary minutes. Testimony and discussion are paraphrased and condensed.

Committee Business Summary:

Hearing(s) & Date(s) Posted: SR 19, 3/6/2001
Executive Action: HB 90, HB 491, HB 116, HB 374,
HB 239, HB 523

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HEARING ON SR 19

Sponsor: SEN. DON HARGROVE, SD 16, Belgrade

Proponents: None

Opponents: None

Opening Statement by Sponsor:

SEN. DON HARGROVE, SD 16, Belgrade by asking the committee if there was any discussion concerning the appointed board members.

Proponents' Testimony: None

Opponents' Testimony: None

Discussion:

SEN. ED BUTCHER told the committee Rick Pavlonnis, from the Board of Banking had resigned. He added that he was unsure if Joy Ott, on line 28, was still on the board.

Closing by Sponsor:

SEN. DON HARGROVE, SD 16 closed SR 19.

EXECUTIVE ACTION ON HB 90

David Niss explained to the committee that the Board of Professional Engineers was required by statute to supervise the practice of engineering and to issue licenses. He added that included in the definition of engineering was a definition that appeared to include the drawing or supervision of the drawing of plans for water sprinkler systems and that by virtue of another statute, 18-2-122, there was a requirement that plans for public buildings be drawn over the signature and certification by a registered professional engineer. Mr. Niss said there was also a prohibition that no one could practice engineering as defined without a license granted by the board. He added that, apparently, over the years, rather than drawing the plans or even supervising the drawing of the plans, the engineers had started stamping the projects "sprinkle as required" and because of that, the drawing of the plans had been turned over to the technicians. Mr. Niss said through the testimony of REP. JIM SHOCKLEY, he had introduced this legislation to match the practice of allowing NICET technicians to design as well as install the water sprinkler systems.

Motion: SEN. BUTCHER moved that HB 90 BE CONCURRED IN.

Discussion:

SEN. BUTCHER told the committee that the NICET technicians were the people who actually had the experience of installing the water sprinkler systems and because of that, it was most reasonable and practical to allow them to continue. He added that the engineers wanted to keep the power and money themselves.

SEN. KEN TOOLE stated that the engineer would be held liable if they put their stamp on the project.

SEN. EVE FRANKLIN commented that this was not a good piece of legislation, yet, it was a way to have the NICET technicians under the control of the board.

SEN. JOHN BOHLINGER asked if public safety would be compromised if the NICET technicians designed and installed the systems. He said that the NICET technicians had been designing and installing the systems already and questioned if it was right to legalize what was now an illegal activity.

SEN. HARGROVE expressed concern about "turf battles".

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SEN. BUTCHER said he wanted to legalize the NICET technicians to design and install the systems because they were working well. He added that the engineers would still be held responsible.

SEN. JIM ELLIOTT told the committee he didn't think there was a problem and that this bill would not solve anything. He, therefore, was against this bill.

SEN. TOOLE stated that this bill would remove the responsibility from the engineers. He said he was against this bill.

SEN. HARGROVE said the board should be allowed to enforce the rules at present. He would like to allow the board the opportunity to work on this situation.

Vote: Motion that **HB 90 BE CONCURRED IN failed 3-4.**

Motion/Vote: **SEN. ELLIOTT** moved that **HB 90 BE TABLED. Motion carried 7-0.**

SEN. FRANKLIN told the committee that she wanted to make a statement directed to the Board of Professional Engineers that the pressure was now on them to formalize their relationship with

the NICET people and to determine exactly what the NICET technician's responsibilities were.

EXECUTIVE ACTION ON HB 491

A letter to the committee from Frank Cole **EXHIBIT(sts56a01)** was distributed to each member.

David Niss, legislative services, explained to the committee that this bill increased minimum benefit adjustment granted in this section; changing the minimum benefit from the compensation for a newly confirmed police officer to a police officer with 10 years seniority. He added that this bill also defined compensation to exclude anything but base salary and longevity pay. **Mr. Niss** said those were the only two types of pay that would be used in the formula to compute the minimum benefit.

Motion: **SEN. BUTCHER** moved that **HB 491 BE CONCURRED IN.**

Discussion:

SEN. TOOLE expressed concern about the relationship to GABA and jumping back and forth between systems.

SEN. HARGROVE asked **Kelly Jenkins** what would happen to this group of retirees if nothing else happened. **Kelly Jenkins** answered that this group of people would have to choose to be covered under the GABA with the minimum benefit adjustment. He added that the window would be from July 1 to December with it taking effect January 1 of 2002.

SEN. HARGROVE asked **Kelly Jenkins** what would this do actuarially if it passed and if it didn't pass. **Kelly Jenkins** responded that if the 3% GABA did not pass, it would increase the amortization period of 9.9 years of unfunded liability to 12.38 years. If it did pass with a three year wait, it would increase the amortization period from 9.9 years to 21.18 years. He added that was not the effect from this bill exclusively.

SEN. BUTCHER asked **Kelly Jenkins** if there were any other options for those people because they had gone 20 years already with no increases. **Kelly Jenkins** replied that a possibility of using a formula for people who had retired without a number of years up to a level of purchasing power so that their current benefit would retain at least 75% of the purchasing power that their original benefit had at the time it was given.

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SEN. HARGROVE asked **Kelly Jenkins** if that was already in the GABA and would this group of individuals qualify for that. **Mr.**

Jenkins replied that it was not in the GABA for the police officers retirement system, but only for the Public Employees Retirement System. He added that instead of giving this group of people 50% of the rookie police officer, perhaps they could be given 55% or 60% of that rate.

SEN. BUTCHER expressed concern about the people being retired for 20 years without any increase. **Mr. Jenkins** replied that he understood that concern.

SEN. BUTCHER asked if it was possible to narrow the bill to include just the people who did not get into the program. **Mr. Jenkins** answered that the impact could be narrowed as long as it was done with a universal description. He told the committee that they would need to raise everyone up to a certain purchasing power.

SEN. BUTCHER asked **Kelly Jenkins** how that would impact people who had been retired after five years. He also expressed concern about how much general fund money would be used for this.

SEN. ELLIOTT asked **Kelly Jenkins** if there was a possibility of putting this into **REP. LEWIS'** bill. **Kelly Jenkins** answered that he preferred not to put this into **REP. LEWIS'** bill.

SEN. ELLIOTT asked **David Niss** if the title was broad enough to amend to include the issue addressed in the letter from **Kelly Jenkins EXHIBIT(sts56a02)**. **Mr. Niss** answered that, yes, the title was broad enough to include that.

SEN. ELLIOTT asked **Bill Steel** how he felt about a 75% adjustment. **Bill Steel** told the committee he had only received a \$6 raise in 17 years. He added that the GABA was a good bill and he didn't want to interfere with that. **Mr. Steel** said that the Police Department was left out from the GABA bill, so they would not benefit from that bill. He was told by the PERS board that if he was included in the GABA bill, he would get a \$600 raise. **Mr. Steel** expressed frustration over how many times they have had to come back to the legislature, only to be told to wait until later, in essence. He told the committee that they need the \$200 raise addressed in this bill now, not later.

SEN. BUTCHER asked **Bill Steel** if the ten year limit was dropped and replaced with the 75%, would that work for them. **Bill Steel** asked "when". **SEN. BUTCHER** answered that he was referring to today. **Bill Steel** said he would like more clarification and would like to talk to his constituents, but realized there was not time for that. He added that, yes, he would like that.

SEN. HARGROVE read the letter from **Kelly Jenkins**.

SEN. ELLIOTT told the committee he wanted to help this group of people.

Motion: **SEN. ELLIOTT** moved that **HB049101.ADN BE ADOPTED**.

Discussion:

SEN. ELLIOTT said he wanted to give the opportunity to choose between 75% of the purchasing power and parallel that which was given as in PERS in HB 294 and to delete the police officer with 10 years of seniority of retirement from this bill.

SEN. ELLIOTT asked **Kelly Jenkins** if there was any reason that this bill needed to be effective on July 1 or if it would be better to go with the date of passage. **Kelly Jenkins** said his department preferred to keep everything effective on July 1 since that was their fiscal year and for administrative reasons.

Vote: Motion **AMENDMENT HB049101.ADN EXHIBIT(sts56a04)** carried 7-0.

Motion/Vote: **SEN. ELLIOTT** moved that **HB 491 BE CONCURRED IN AS AMENDED**. Motion carried unanimously.

Motion/Vote: **SEN. FRANKLIN** made a motion that **EFFECTIVE ON PASSAGE OF THE BILL AND APPROVAL. BE ADOPTED**. Substitute motion carried 5-3.

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EXECUTIVE ACTION ON HB 116

SEN. FRANKLIN expressed concern about the one year vs. the five year vesting. She was also concerned about the health insurance.

SEN. BUTCHER wondered if there should be a compromise of three years.

SEN. FRANKLIN pointed out that the career ladder in state government was different than in the private sector, with the state government career ladder being more transient.

SEN. BUTCHER asked **Kelly Jenkins** if people in the university system were vested. **Mr. Jenkins** responded that vesting in the university system worked more like an investment fund.

SEN. ELLIOTT stated that one of the dangers was that if you do something for one person, almost everyone wanted it too.

Motion: **SEN. ELLIOTT** moved to strike, "ONE YEAR, UP TO FIVE YEARS" BE ADOPTED.

SEN. ELLIOTT told the committee he felt they should wait until more members were present to vote on this.

EXECUTIVE ACTION ON HB 374

Motion/Vote: **SEN. FRANKLIN** moved that **HB 374 BE CONCURRED IN.**
Motion carried unanimously.

EXECUTIVE ACTION ON HB 239

Motion/Vote: **SEN. HARGROVE** moved that **AMENDMENT HB023901.ADN EXHIBIT**(sts56a03)BE ADOPTED. **Motion carried unanimously.**

Motion/Vote: **SEN. ELLIOTT** moved that **HB 239 BE CONCURRED IN AS AMENDED.** **Motion carried unanimously.**

EXECUTIVE ACTION ON HB 523

Motion/Vote: **SEN. ELLIOTT** moved that **HB 523 BE CONCURRED IN.**
Motion carried unanimously.

ADJOURNMENT

Adjournment: 11:50 A.M.

SEN. DON HARGROVE, Chairman

LYNETTE BROWN, Secretary

DH/LB

EXHIBIT (sts56aad)